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SOME EARLY CALIFORNIA INDUSTRIES THAT FAILED

BY J. M. GUINN.

Historians generally speaking are not partial to failures. The enterprise, be what it may, that fails fills but a small space in history and the actors in it are usually relegated to oblivion; or if it is commemorated at all it is by the briefest of notices. Scattered at intervals along the highway of California's march to wealth and progress are the ruins of enterprises that failed, the remains of industries that died in their infancy and the unmarked resting places of Napoleons of finance who met their Waterloos in the collapse of some undertaking that almost succeeded—that by all signs and omens ought to have succeeded. Success would have brought them fame and fortune—failure doomed them to poverty and oblivion. It is the story of some of the industries that failed, of some of the enterprises that brought neither fame nor fortune to their promoters yet should have brought both, that I shall attempt to tell.

For three-quarters of a century California's sole commercial industry was cattle raising. Its only product that would bear eighteen thousand miles shipment was the dried hides of its tens of thousands of slaughtered cattle.

The famine years of 1863 and 1864, when for two years in succession the rain fall amounted to little more than a trace and cattle died of starvation by the hundreds of thousands, virtually put an end to the cattle industry in Southern California. It had been declining for a decade. The high price of beef in the mines from the discovery of gold up to about 1855 had not only stimulated the industry in the cow counties of the south, but had expanded it over

Northern California, which in the days of the padres was a *terra incognita*.

Over production forced it into a decline and drought was the death of it. The cattle kings were ruined. They had no means to restock their desolated ranges, and without cattle their myriads of acres were worthless for production. Besides the rancheros were encumbered with debt. Cancerous mortgages bearing interest at 5 and 6 per cent a month were eating away their possessions. With nothing to sell to pay interest or principal, the end soon came. The Shylocks foreclosed the mortgages—took their pounds of flesh—and the ancestral acres of many a proud Don passed into the possession of the money lenders. The cattle kings were uncrowned. Their kingdoms despoiled, and the olden time industry that once had made them rich and powerful was their undoing.

After the change of owners came the era of subdivision. The new owners cut the great ranchos into fractions and sold pieces large or small as the buyers wished at prices ranging from \$2 to \$10 per acre on time. Thrifty farmers from Central California and the "states" drifted down into the cow counties and bought themselves farms and started a new industry for the south,—“grain raising.” Where a few years before lowing herds covered the plains, now fields of barley and wheat billowed in the breeze. The soil was rich and the yield of grain enormous, but machinery was expensive and labor costly and of poor quality. After the harvest came the problem of transportation. The only market on the coast then was San Francisco, five hundred miles away, and there were no railroads. Los Angeles then was a city of vast area but limited population and no commerce. A ton of barley would have demoralized its market for a month. The people pastured their horses on Spring street lots and kept dairy ranches out on Grasshopper street, now Figueroa. In the olden time cattle transported themselves to market, but grain sacks had to be carried. The farmers found the lighterage charges, freight charges, commissions, storage and all the other charges that commission merchants and middlemen could trump up as cancerous as the old time mortgages. The farmer was fortunate indeed if after marketing his crop he did not have to mortgage his farm to pay the deficit; actually pay a penalty for cultivating his land. It was clearly evident that grain growing for a market five hundred miles away would not pay. The query of the agriculturists was what can we produce that transportation charges and commissions will not eat up. Then began an era of agricultural experiments.

One of the first of these was the seri-culture venture. Louis Prevost, an educated Frenchman, who was familiar with silk culture in France, in a series of letters in the newspapers, proved beyond a doubt that California was superior to France in the conditions required for the success of the silk industry—that the Golden

State would eventually out-rival France in silk production and put China out of the business.

To encourage silk culture in California, the legislature in 1867 passed an act giving a bounty of \$250 for every plantation of 5,000 mulberry trees two years old, and one of \$300 for every 100,000 merchantable cocoons produced. This greatly encouraged the planting of trees and the production of cocoons, if it did not add to the number of yards of silk in California. In 1869 it was estimated that in Central and Southern California there were ten million mulberry trees in various stages of growth. One nursery in San Gabriel—"The Home of the Silkworm," as its proprietor called it—advertised 700,000 trees and cuttings for sale. Two million trees were planted in and around Los Angeles city. Prevost had a plantation of 50 acres on South Main street.

The Los Angeles News of April 11, 1869, says: "We risk nothing when we express the belief that in two years from this time the silk products of this county will amount to several million dollars."

The California Silk Center Association was formed with a large capital on paper. The Association bought four thousand acres which now forms part of the site of the city of Riverside. It was the intention of the Association to found a colony there of silk growers and silk weavers. Sixty families were reported ready to locate on the colony grounds as soon as negotiations were completed. Prevost, the great head center of the scheme, died shortly after the purchase was made, and the colony project died later. At first the profits from the seri-culture fad were large, not, however, from the manufacture of silk, but from the sale of silk-worm eggs. When the industry was launched, eggs sold at \$10 an ounce and the worms were good layers. One seri-culturist reported a net profit of a \$1,000 an acre made in sixty days from the sale of eggs. Another realized \$1,260 an acre in a single season. The net profit from his three acres of trees and cocoons exceeded the net profits on his neighbor's 30,000 acres of grain. With such immense returns from such small investments it is not strange that the seri-culture craze became epidemic. Mulberry plantations multiplied until the bounties paid threatened the state treasury with bankruptcy. A sanguine writer in the Overland Monthly of 1869 says: "It is almost startling to think that from a calling so apparently insignificant we may be able to realize in a short time a larger sum and infinitely greater gains than from one-half of all our other agricultural productions in the state." With the increased supply the price of eggs declined until it was all supply and no demand. Then the seri-culture epidemic came to as sudden a stop as yellow-jack does when a killing frost nips the fever breeding mosquito. The worms died of starvation and the bounty bought mulberry plantations perished from neglect. Of the millions of trees that rustled their broad leaves in the breeze not even the fittest survived. They all died.

Out of the hundreds of thousands of bounty bought cocoons only one piece of silk to my knowledge was manufactured and that was a flag for the state capital. Proudly that home-made "old glory" floated above the dome of the state house, and proud indeed it might be, for indirectly it cost the state a quarter million dollars.

The experiment failed, but not because California was unsuited to silk culture. The defects were in the seri-culturists, not in the soil or climate of the state. There was no concert of action among the producers. They were scattered from Dan to Bersheba, or what was a much greater distance, from Siskiyou to San Diego. There were not enough producers in any one place to build a factory, and not enough weavers in the country to manufacture the raw silk produced; nor could capital be induced to invest in silk factories.

After the failure of the seri-culture industry a number of minor experiments were made on various products that it was hoped after paying transportation charges, storage, commissions and other charges, would leave a small margin of profit to the producer.

Col. Hollister of Santa Barbara county planted a small forest of tea trees and imported Japanese tea growers to cultivate them. The trees flourished and seemed to enjoy the soil and climate of California, but somehow the home grown tea did not reduce the prices of the imported article.

A coffee planter from Central America planted an extensive grove of coffee trees near San Bernardino, and there was great expectations that Southern California would rival Central America in coffee production. The climate was all right, the soil was adapted to the tree, but home grown coffee, like home grown tea and home made silk, never affected the price of the imported articles, nor brought fortune or fame to the promoters of these industries.

Another agricultural experiment that we tried in the later 60's and early 70's was cotton growing. Experiments on a small scale had proved that cotton could be grown in California equal in quality to the finest Sea Island and Tennessee Upland of the Southern States. These induced planting on a more extensive scale.

Col. J. L. Strong, a cotton planter from Tennessee, in 1870 secured from the Los Angeles and San Bernardino Land Company a lease of 600 acres located on the Santa Ana River in the Gospel Swamp country, a region famous in early times for mammoth pumpkins and monster camp meetings. On this he planted a large field of cotton. It grew like the fabled green bay tree, and produced fabulous returns, but not in money. On the Merced River bottoms near Snellings was a plantation of a thousand acres and in Fresno county were a number of smaller ones, aggregating about 500 acres. The California Cotton Growers' and Manufacturers' Association purchased ten thousand acres of land adjoining to, and covering part of the present site of Bakersfield, the oil metropolis of Kern county. On account of the difficulty of obtaining seed only 300 acres were

planted the first year. A portion of this made a fine crop of excellent quality. The Association announced that it would plant two thousand acres next year (1873); and to encourage planting would furnish growers with seed and gin their cotton free. To secure laborers, the members of the Association imported a colony of negro cotton field laborers from the south, built cabins for them and hired them to plant, cultivate, pick and gin the prospective crop. The colored persons discovered that they could get much better wages at other employments and deserted their employers. The cotton crop went to grass and the cotton growers went into bankruptcy.

Along about 1869 or 1870 a large portion of Los Angeles city was a cotton field. The late Don Mateo Keller tried the experiment of cotton growing on irrigated lands. West of Figueroa street and extending from near Ninth street down to Adams there was an extensive field of cotton. The plants grew luxuriantly and produced abundantly. The bursting bolls of cotton whitened the expanse like the snows of winter an arctic landscape. The experiment was a success as far as producing went, but Don Mateo did not turn cotton planter.

The experiments tried in various parts of the state demonstrated beyond a doubt that cotton of the finest quality could be grown in California, but when it came to figuring profits in the business—"that was another story." The negro cotton picker was not much in evidence here and those that were, were too "toney" to stoop to cotton picking in California. The Mexican peon and the Mission neophyte could pick grapes, but when it came to cotton picking they simply bucked and that was the limit with them. White labor was too scarce and too expensive. So the coast winds did most of the picking. For that which was gathered and baled there was no market nearer than Lowell or Liverpool—eighteen thousand miles away via Cape Horn. There were no railroads then in Southern California, and no cotton factories on the Pacific coast; so the cotton boll, like the silk cocoon, disappeared from the land of the afternoon.

The next industry that came to the front guaranteed to lift the agriculturist out of the slough of financial despond, was the cultivation of the castor bean. California from away back in the days of the padres has always been as famous for raising beans as Boston has been for eating them. But the castor bean is not that kind of a *frijole*. It is the bean or nut from which castor oil is manufactured. Its cultivation in Southern California was introduced by the late George H. Peck and for a time the industry paid fairly well. Somewhere along about 1870 a castor oil factory had been started in San Francisco. The proprietors, to secure a supply of beans, furnished the farmers with seed and contracted to buy their crop at a stipulated price. The beans were planted in rows like corn and cultivated in a similar manner. The bean stalk or bush grew to be from six to eight feet high the first season. On the branches the

beans were produced in spike covered pods that were uncomfortable things to handle. The bean grower prepared to harvest his crop by first clearing off an earthen threshing floor and tamping the soil until it was smooth and solid. This floor he surrounded by a circular board corral. With a large box fastened on a sled drawn by a horse he drove between the rows, cutting off the clusters of bean pods and throwing them into the box. The loads were dumped in the corral and spread out over the threshing floor. As the sun dried the pods the beans came out with a pop like the report of a toy pistol. This was kept up until the pods were emptied. The popping of the beans in the corrals resembled a Chinese New Year celebration. It was a source of joy to the small boy, who had Fourth of Julys galore as long as there was any pop in the beans.

The industry held its own for several years, then the castor bean pod joined the silk cocoon and the cotton boll in the haven of "has beens." The elements that were its undoing were similar to those that wrought the ruin of the others; scarcity and high price of labor, excessive freight rates and long distance to market.

The castor bean plant had some faults of its own that did not commend it as an agricultural stand by. It had a trick of volunteering its services when they were not needed. Once planted it was as difficult to get rid of as the Canada thistle. Its staying quality was one of the causes that finally banished it.

A series of experiments had convinced us that it was not so much a new product that we needed as it was more population and a home market. We were all producers; we needed consumers.

Forty years before Dana, he of "Two Years Before the Mast," had decried against the want of enterprise in the native Californians. With all the ingredients to tan leather they sold the hides of their cattle to the Boston hide droghers at a dollar a piece to be carried around the world to tanneries, and returned two or three years later in leather, boots and shoes for which the Californians paid a thousand per cent above the cost of the raw material. California had been a quarter of a century under the domination of the most energetic people on earth, and yet we were doing the same thing that the cattle kings had done generations before.

We were producing millions of pounds of wool every year and sending it around the world to hunt a market. Tufts of the finest raw cotton were wafted hither and yon by the gentle sea breezes and there was no one to gather them and manufacture them into cloth. We were paying an aggregate of a thousand per cent to middlemen, shippers, manufacturers and dealers for returning to us the finished product from our own raw material.

A few would-be political economists of the southland, myself among the number, wrote stirring articles for the local press advocating the building of woollen mills and cotton factories. Bring together producer and consumer, save cost of transportation, cut out the profits of the middlemen and we would all get rich. To obtain

power for our factories conserve the waste waters of our rivers in great reservoirs, set these to propelling hundreds of mill wheels, these in turn would set tens of thousands of spindles in motion to twist our wool and cotton into thread, and would start thousands of shuttles a flying to weave these threads into cloth. The building of factories would make a Lowell of Los Angeles and boom all the cities of the south.

A few years before the City Fathers of Los Angeles had given to a syndicate as a consideration for constructing a reservoir and digging a ditch, all of the northwest corner of the city from Diamond street, now West First, north to the city's northern boundary and from North Figueroa west to the city limits, except Elysian Park, and that would have gone, too, but the syndicate scorned such refuse real estate. All that the city has today for the donation of thousands of acres of canal and reservoir lands, is that hole in the ground called Echo Lake.

The ditch, which was intended to irrigate the desolate regions down by West Adams street, meandered along what is now Lake Shore avenue to old Pearl street, now Figueroa. There was considerable fall to it and it afforded water power. On this ditch along about 1872 the Bernard brothers of Illinois built a woolen mill of ten loom capacity. The political economists rejoiced greatly. We were on the king's highway to prosperity. The mill's long suit was blankets, but the proprietors did manufacture some blue serges and mixed cheviots. Some of us economists had suits made of these and pointed with pride to our clothes made from home grown wool, spun and woven in a home made mill and fashioned by a home made tailor. When the glorious sunshine of California got in its work on the alleged fast colors of the cloth they faded away into nondescript shades; Joseph's dress-suit—his "coat of many colors," would have gone out of business at sight of our garments. Nevertheless, we were proud of our home made clothes, but when one of us went to San Francisco we borrowed an imported suit, not but what our own home made was good enough, but then the San Franciscans were envious of our growing manufactures and might make invidious comparisons.

Our great expectations of becoming a manufacturing center were blighted by that financial frost that chilled the nation to its heart's core—"Black Friday in Wall street." No more capitalists from the east could be induced to come west to build up the country. They had need of their capitalist at home. Our lone woolen mill did its best to furnish us with a very good quality of blankets, but one day a frost struck it and it was changed to an ice factory. The only reminder of the first and last woolen mill of Los Angeles left us is the name of the subdivision where it was located, "The Woolen Mill Tract." Many a newcomer, no doubt, has puzzled over the appearance of such a name on the city map.

Such are some of the trials and tribulations through which the pioneers of Southern California passed in their attempts to develop the land of sunshine. The pioneer, like the prophet, is without honor in his own country. He blazes the trail for the army of occupation that follows his lead into new lands, but he seldom profits from his adventures. The new arrivals regard him as a silurian—a relic of a remote age, and shove him aside. The newcomer who buys a piece of real estate on a rising market and sells it a few months later at an advance of a hundred per cent, regards with contempt the old resident who years ago sold leagues of land for less than he, the newcomer, has sold feet. Let this Napoleon of finance try selling land or lots on a falling market when all are sellers and there are no buyers; and to add to his misery a cancerous mortgage eating away at his possessions day and night. His plaint of woe would be painful to the ear. He would not submit to the decrees of Fate with the fortitude, the manhood and the courage with which the cattle kings of long ago met misfortune and were overwhelmed by conditions beyond their control.